

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 811 - HB 1017

February 17, 2013

SUMMARY OF BILL: Authorizes students to request dual enrollment course credits be used in the calculation of grade point averages for the purpose of qualifying for the HOPE scholarship, beginning in the 2013-2014 academic year. Prohibits retroactive awarding of postsecondary financial assistance.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

\$3,480/FY13-14/One-Time/General Fund
\$2,704,000/FY13-14/Recurring/Lottery for Education Account
\$3,222,000/FY14-15/Recurring/Lottery for Education Account
**Exceeds \$3,222,000/FY15-16 and Subsequent Fiscal Years/Recurring/
Lottery for Education Account**

Assumptions:

- According to the University of Tennessee and the Tennessee Board of Regents, there will be a one-time increase in programming costs for the Banner system of \$3,480 (\$1,740 per system).
- All dual enrollment students who have grade point averages close to the qualifying HOPE benchmark will request dual enrollment course credits be used in the calculation of their grade point average.
- The Tennessee Student Assistance Corporation (TSAC) estimates that there will be an additional 751 students who receive HOPE scholarships in FY13-14 as a result of this bill. Of this number, TSAC estimates that 601 students will attend a four-year institution and receive a \$4,000 scholarship and 150 students will attend a two-year institution and receive a \$2,000 scholarship.
- The increase in expenditures for students attending a four-year institution in FY13-14 will be \$2,404,000 (\$4,000 x 601) and \$300,000 (\$2,000 x 150) for students attending a two-year institution in FY13-14.
- In FY13-14, the total increase in state expenditures from the Lottery for Education Account (LFEA) will be \$2,704,000 (2,404,000 + \$300,000).
- In FY14-15, TSAC estimates that there will be an additional 923 students who receive HOPE scholarships as a result of this bill. Of this number, TSAC estimates that 738

students will attend a four institution and receive a \$4,000 scholarship and 185 students will attend a two-year institution and receive a \$2,000 scholarship.

- The increase in scholarship expenditures for students attending a four-year institution in FY14-15 will be \$2,952,000 ($\$4,000 \times 738$) and \$370,000 ($\$2,000 \times 185$).
- In FY14-15, the total increase in state expenditures from the LFEA will be \$3,222,000 ($\$2,952,000 + \$370,000$).
- Based on information provided by TSAC, the number of students estimated for FY14-15 is assumed to include FY13-14 students retaining the award as a result of using grades obtained for dual enrollment courses in the calculation of their grade point averages.
- In FY15-16 and subsequent fiscal years, the total increase in state expenditures from the LFEA will exceed \$3,222,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', is positioned above the printed name.

Lucian D. Geise, Executive Director

/msg